

# The History of the Race Wire Service

By [Allan May](#)

## Part One: Mont Tennes and the Birth of the Race Wire

After an investigation of mobster Mont Tennes, the Illinois Crime Survey Commission reported, "If the complete life history of Mont Tennes were known in every detail, it would disclose practically all there is to know about syndicated gambling as a phase of organized crime in Chicago in the last quarter century."

Born in Chicago on Jan. 16, 1874, Jacob "Mont" Tennes was the son of German immigrants. Legend has it that one day in the late 1890s he walked into a State Street crap game and walked out with \$3,800. Two days later, he was back and doubled his winnings. In 1898, Tennes then used this money to open a saloon and billiard room. His customers were the scions of the old gambler combine, the safe blowers, and confidence men.

In the first decade of the 20<sup>th</sup> century, gambling ran wide open in Chicago and was controlled by three syndicates. Mont Tennes and his two brothers, William and Edward, ran the North Side. James O'Leary (whose mother owned the cow that started the Chicago Fire) ruled the South Side, while the Loop district was under control of the infamous Michael Kenna and John J. Coughlin, better known as "Hinky Dink" and "Bath House John." Of the three, Tennes would become the dominant force.

By 1904, when he and his brother Peter were indicted by a grand jury, Tennes was working with a West Side operation in addition to backing hundreds of betting parlors. Tennes pled guilty to bookmaking and was fined \$200.

When Carter Harrison II was elected mayor of Chicago in 1904, he put an end to handbook activities at the horse race tracks stating, "It is my intention to witness the sport of kings without the vice of kings." Starting with Washington Park, the betting was eliminated; unfortunately, so were the fans. When the Washington Park results were repeated at the Hawthorne and Harvard tracks, horse racing became a dead issue. For the next 18 years there would be no thoroughbred racing in Illinois. Gambling would go on, though, thanks to a new creation called the race wire.

The idea for the race wire service came from John Payne, a former telegraph operator from Cincinnati, Ohio, in the early 1900s. Payne had worked for Western Union Telegraph Co., which had recently stopped reporting racing results at the urging of one of its principal stockholders. Payne developed a sound relay procedure for processing horse race results. At the end of each race, his spotter at the racetrack, using a mirror, would flash back a coded race result to a telegrapher in a nearby building. The telegrapher then immediately relayed the results to handbooks (also called bookies) all over the city. The Payne Telegraph Service of Cincinnati was soon established.

One of the benefits of this service was that it allowed bookies to take bets on races where they already knew the results. If they knew the horse being bet on had lost, they would accept the wager; if the horse had won, they would tell the bettor it was too late to place his bet.

In 1907, Tennes purchased the "Payne System" exclusively for Illinois for \$300 dollars a day. He received the race results at the Forest Park train station using a switchboard consisting of a trunk line with 45 wires. He distributed coded results to several hundred poolrooms and handbooks. The information, which came from tracks around the country, such as Latonia (Kentucky) and Gravesend and Saratoga (New York), was then relayed to the handbook joints. In Chicago, no gambling house could receive horse race results by telephone or telegraph unless Tennes received 50 percent of the daily net receipts for the service. As Tennes worked to secure his monopoly with the racing wire, his adversaries initiated a bombing campaign against him. Between July 1 and Sept. 26, 1907, six bombs were detonated at either his home or his businesses. After the sixth incident, Tennes was tracked down at his home by a reporter and informed of the attack.

"Too bad, too bad," Tennes responded. "So they have attacked me again, have they?"

"Do you suspect who the guilty persons are?" the reporter asked.

"Yes, of course I do," he replied, "but I'm not going to tell anyone about it, am I?" That would be poor business."

By 1909, the race wire service made Tennes "the absolute dictator of race track gambling and handbooks in Chicago." He maintained control over the handbooks through violence, and those who opposed him could expect sluggings and bombings.

In 1911, the "Tennes General News Bureau" was in the process of eliminating the "Payne News Service" from national control of the racing news service. Tennes had reportedly risen from the King of Chicago gamblers to the Czar of all race track gambling in the United States and Canada. From 90 poolrooms in Chicago and 70 in New York City, he received tremendous profits.

The poolrooms at the turn of the century should not be confused with what we know as poolrooms today. Places where people went to "shoot" or play pool back then were called "billiard parlors." People went to a poolroom to place illegal bets. A gambler would use a poolroom to place a bet on a horse race much like a gambler would use a bookmaker today. Poolrooms drew a shady group of people and usually served alcohol illegally. While there, men would pass the time gambling, playing cards, shooting dice and playing billiards. The association of shady activities and billiards playing would leave a stigma on poolrooms for decades until they evolved into legitimate establishments.

By 1911, the Interstate Commerce Commission began an investigation into the wire service due to the attention being generated in the struggle between the Payne News Service and Tennes' General News Bureau. The ICC determined there was nothing

illegal about the transmission of horse race results. In addition to the results, Tennes service also provided racing information such as entries, odds, jockeys, and scratches. Tennes was servicing cities all over the country including San Francisco and Salt Lake City in the west, San Antonio and New Orleans in the south, New York City and Baltimore on the East Coast, and scores of cities in the Midwest.

Raids by the police, attacks by rivals (both in and out of court), and investigations all failed to put a dent in Tennes' moneymaking machine, but along the way the investigations did routinely expose crooked cops and politicians. And with that exposure, pressure on Tennes from the press would mount.

The newspapers pressed the issue of Tennes' power and in the Aug. 30, 1916 edition of the *Chicago Daily News* the question was asked, "Does Tennes control the police department?"

On Oct. 1, 1916, Federal Judge Kenesaw Mountain Landis launched a federal investigation. Tennes appeared without a subpoena and was represented by famed defense trial lawyer Clarence Darrow, who advised him not to answer any questions. However, many others called to testify did talk, including some of Tennes' associates. A bookkeeper revealed that Tennes owned twelve to fifteen handbook operations in the city and explained how they operated. Also revealed was that the operations were taking in \$25,000 a month in profit.

Intimate details of Tennes' operation came pouring out during testimony and Tennes himself helped provide some information. On Oct. 5, 1916, Judge Landis sought the cooperation of the Illinois Bell Telephone Company, which owned the Automatic Telephone Company system that Tennes used, to come up with a solution to stop the transmission of sporting news. The result of the inquiry was that these transmissions were not a crime, and since local gambling was not under the jurisdiction of the federal court, the inquiry came to naught.

After the investigation, police raids on Chicago handbooks were stepped up. The newspapers helped by publishing the names of the proprietors, but only patrons and office managers seemed to get arrested.

During World War I, the public's attention was obviously diverted from the gambling problem. At the same time, patronage of the gambling public was at a minimum. When the war ended, the opposition to handbook gambling cooled a bit in Chicago. However, when Robert E. Crowe was elected states attorney in November 1920, the handbook raids picked up again. Crowe had his men prosecute the cases under the state criminal code as opposed to the municipal ordinance because penalties were more severe. Crowe's campaign was said to have shook the foundation of national handbook gambling and spread panic through the Chicago gambling brotherhood. Tennes was indicted on Feb. 24, 1921. His trial took place in March 1922. Tennes was defended by Crowe's predecessor. The case was *nolle prosequi* because prosecutors failed to show that the

defendant was involved in a conspiracy as they charged. This ended Crowe's "gambling drive" which had begun with much promise.

In 1923, William E. Dever was elected mayor of Chicago. Dever was an incorruptible mayor. This was quickly realized by the Torrio-Capone mob, which promptly relocated to the Chicago suburb of Cicero. Within the first year of Dever's term, his new police chief closed over 200 handbook joints. The gambling, which enjoyed its greatest success in the Loop area, was said to be "absolutely dead" a year after Dever took office. During this period Tennes avoided arrest, claiming he ran a legitimate race wire service dispensing sporting news.

In 1924, Tennes was rumored to have retired from the handbook business. One of the reasons given was the pressure being put on him by the Capone mob. Whatever the reason, Tennes' name was seldom seen in print during the mid-1920s. During this period two of his brothers died; William in 1925 and Edward in 1927. The majority of the gambling during these years took place in the suburbs, mainly Cicero.

In 1927, William Hale Thompson was reelected mayor replacing Dever. Under Thompson, Chicago became a wide-open town again. At this time the city was split in two: Capone controlled the South Side and the combination of George "Bugs" Moran and the Aiello brothers ruled the North Side. Tennes sold his race wire services to both groups.

Tennes was facing competition from a new entry in the race wire service, the Empire News Company. The new service began to experience several raids and police destroyed its equipment and telephones. Empire News obtained a restraining order from further police raids. Tennes quickly cut short a vacation and rushed back to Chicago. Empire News was selling its service for \$25 to \$30 per week. Tennes's General News Bureau price to its subscribers averaged \$75, but went as high as \$125 per week.

Capone began to muscle in on Tennes operations. Several handbooks were bombed and Jimmy Mondie, Capone's gambling boss was demanding 25 percent of Tennes' profits for protection. Between the competition from the Empire News Service and the Capone gang, Tennes decided it was time to retire for good. In 1927, ownership of the General News Bureau was split into 100 shares. Newspaper magnate Moses Annenberg purchased 48 shares, current partner Jack Lynch bought 40 shares, and the remainder ended up in the hands of Tennes' three nephews; Edward, Lionel and Mont.

After his retirement from the race wire service, Tennes led a respectable life. He was involved in several real estate ventures and purchased a business. In August 1941, he died in bed of a heart attack. In his will, he bequeathed \$10,000 a year for a "character home" for wayward boys named Camp Honor.

The great Annenberg publishing dynasty that controlled the *Daily Racing Form*, *The Philadelphia Inquirer* and *TV Guide* for decades produced the fortune that allowed Walter Annenberg to establish and endow the prestigious M. L. Annenberg Schools of

Communication at the University of Pennsylvania and the University of Southern California in honor of his disgraced father, a major player in Capone's underworld.

The Annenbergs came to Chicago via a remote, desolate village in East Prussia where Moses Louis Annenberg was born in 1878 during a period of brutal persecution of the Jews. On Christmas Eve 1881, anti-Semitic feelings reached a height in nearby Warsaw when several hundred Jews were beaten to death by Christian mobs claiming revenge on "Christ killers." Moses' father, Tobias, had seen enough. In 1882, he took the small savings he had and traveled alone to America with plans to send for his wife and eight children later. He settled in Chicago and rented a storefront building on State Street where he opened a small grocery store. By 1885, Tobias Annenberg was able to send for his family.

The Annenberg grocery store was located in the "Patch." At the time it was a tough, predominantly Irish neighborhood, which would spawn future race wire service owners James M. Ragen and Arthur B. "Mickey" McBride. Although Tobias tried to raise his children in the Orthodox Jewish religion with its traditional values, the boys – Jacob, Max and Moe -- would have no part of it. Moe came to "despise all religions as traps to keep poor people docile," according to John Cooney, in his book *The Annenberg's*. At an early age, he developed a love of gambling from the card and dice games played on the sidewalks of the neighborhood. He would remain a gambler all his life.

Moe Annenberg left school when he was 12 to find work to help support the family. His first job was as a messenger for Western Union, but over the next 10 years he changed jobs whenever a higher paying one came along. During this time he worked in a livery stable, sold newspapers, and tended bar for his brother-in-law.

It is difficult to imagine now, but in 1900, when Moe Annenberg was 22 and recently married, there were eight daily newspapers in Chicago and William Randolph Hearst – with his formula for hyping newspaper sales with sex, violence and sensationalism -- was poised to launch yet another: the *Evening American*. To succeed, Hearst needed strong circulation men to fight his battles and one of the first men hired was Max Annenberg who had been working for the *Chicago Tribune*. Max turned to his younger brother Moe to help him. Starting early each morning, and working late into the night, Moe knocked on doors trying to get customers to subscribe to the *Evening American*. Moe enjoyed the effort it took to be successful and had finally found a business he truly enjoyed.

Due to his drive and success, when Hearst began the *Examiner*, a new morning edition, Moe was made circulation chief, the same position Max held with the *Evening American*. As the competition in the circulation business got tougher and more violent, Moe taught himself how to shoot a gun in the basement of the *Early American* building. He once had to use it to chase off a man who was threatening to kill Max during an argument.

Both Moe and Max were highly competitive. Moe, for his part, could not stand the implication that he had achieved his position by riding his older brother's coattails. When this became too much for Moe to bear, he sold his wife's jewelry, borrowed money, and

moved to Milwaukee to handle distribution of the Chicago papers there. Moe's timing was good because Hearst's newspapers soon got into a bloody circulation war with Colonel Robert McCormick's *Chicago Tribune*. By the time the battles were over in 1913, 27 news dealers had been murdered and many others injured. Before the bloodshed began, Max had left Hearst to return to the *Tribune*, a move that placed him at the center of the mayhem that took place. Although Max would be indicted for wounding a man, the sharp lawyers under McCormick's command argued a successful self-defense plea for him. The brutality associated with Max's actions would stain the Annenberg name for years to come and follow Moe wherever he went.

The Milwaukee News Agency became very profitable for Moe and he quickly invested his money in local businesses such as liquor stores, dry cleaners, and bowling alleys. He later bought into a taxicab partnership with his mentor, millionaire Frank L. Mulkern.

In 1917, Moe's career went from newspaper circulation manager to newspaper publisher when he took control of the *Wisconsin News* owned by Arthur Brisbane. Annenberg soon was credited with increasing the *News* circulation from 25,000 to 80,000. Brisbane then sold the newspaper to Hearst and introduced him to Moe. When he realized that Hearst was called "W. R." he dropped the name "Moe" and began calling himself "M. L." Hearst quickly came to admire M. L. and Annenberg was soon on his way to New York City to oversee the circulation of all of Hearst's newspaper and magazine publications. Despite the business empire M.L. had built in Milwaukee, just three days after the offer was made, M.L., his family, and all their belongings were on their way to New York. M.L. moved into a plush Manhattan apartment as well as a "palatial estate" on King's Point, Long Island formerly owned by George M. Cohan.

Soon M.L. was asked to take on the additional responsibility of publisher of Hearst's newest paper, the *New York Daily Mirror*. It was a responsibility that M.L. eagerly accepted. One reason was that the paper was in direct competition with the *New York Daily News*, a strong morning paper that had a circulation manager by the name of Max Annenberg.

In the early 1920s M.L. hired young turks Charles "Lucky" Luciano and Meyer Lansky to help oversee the circulation of the fledgling *Mirror*. Years later, Luciano would claim, "I used to think of the *Mirror* as my paper. I always thought of Annenberg as my kind of guy."

In 1922 Brisbane would again have a profound effect on M.L.'s life when he introduced him to a special-interest publication devoted to horse racing – the *Daily Racing Form*. The small publication listed the names of the horses that were racing that day along with information about their previous performances. Frank Bruenell, a former sports editor of the *Chicago Tribune*, started the publication in Chicago in 1894. M.L. approached Bruenell about buying his publication. Bruenell wanted \$400,000 in cash. M.L. delivered it. He then hired Joseph Bannon and Hugh Murray to run it.

Gambling fever seemed to be sweeping the country like no time previously. With the popularity of horseracing on the increase since a "wartime slump," there were now 29 racetracks operating throughout the country and millions of people eager to bet. Annenberg felt that he could do a "razzle-dazzle" promotional campaign and then increase the information being offered.

Annenberg quickly imparted the shrewd negotiating methods he developed over the years and used his position as circulation manager for the Hearst Corporation to promote his new interest. He forced retailers to purchase the new *Racing Form* by threatening to cut off other Hearst publications if they refused. Since the Hearst distributed magazines and newspapers were a large part of their sales, few retailers refused. His next step in dominating the race information service was to buy out other publications coast to coast. When money didn't work, his army of tough circulation men helped change the minds of would-be holdouts. In 1926, with his *Racing Form* taking up more of his time, Annenberg left Hearst.

Like Hearst during the newspaper circulation wars, Annenberg worked hard to distance himself from the violence which accompanied his business endeavors. He cared little for the violence and the strong-armed tactics his men resorted to on occasion. Few of Annenberg's rivals, however, fought back.

In 1927, Annenberg was faced with a business decision that would be the most lucrative he would ever be involved in. He was looking at purchasing controlling interest in Mont Tennes General News Bureau, known as the race wire service. Tennes was being squeezed by the Capone mob in Chicago to relinquish control. With the potential profits that Annenberg envisioned could be achieved under careful management of the service, he made his bid.

Although many considered the race wire service illegal and a menace to society, Annenberg once told his son Walter, according to Cooney, "it was a source for social good." He claimed "people who led humdrum lives of poverty or held grinding jobs that had them working five and a half or six days a week needed something to look forward to, a chance, no matter how slight, that good fortune could come their way." He defended his position to his son by saying, "If people wager at a racetrack why should they be deprived of the right to do so away from a track? How many people can take time off from their jobs to go to a racetrack?"

Annenberg purchased 48 percent of the shares of the General News Bureau. John J. "Jack" Lynch, a former partner of Tennes and a Chicago gambler with a tough reputation, purchased 40 percent. The remainder was bought by Tennes' nephews. Annenberg quickly hired his old "Patch" buddy, James Ragen, to run the operation. He then hired his nephew, Ivan, Max's son.

Ragen soon mapped out a plan to make General News Bureau the only race wire service in the country. The plan called for strong-arm tactics and bribes. Annenberg's *Racing Form* service initially consisted of seven publications and as the layers of corporations

increased, they were arranged to keep a buffer between him and the violence that sometimes took place beneath him. In addition, like Capone, he contributed heavily to political campaigns, especially those of the Democratic machine that ran Chicago. A special fund was set up, referred to as the "widows and orphans" fund, which fed at least \$150,000 a year in bribes to police and politicians, according to the *Chicago Tribune*. The General News Bureau continued to grow in size as smaller operations fell by the wayside. Those that couldn't be bought out were threatened out of business, or had their operations destroyed by the goons employed by Annenberg and Ragen.

In May 1929, organized crime figures from around the country gathered in Atlantic City for a conference organized by Meyer Lansky, Frank Costello and Johnny Torrio. At the meeting, syndicate gambling genius Frank Erickson urged the attendees to consider owning a national wire service. What happened next is unclear. Several writers and crime historians claim that Annenberg was invited to the meeting by Capone and a plan was worked out for the syndicate to get involved in running the wire service. Annenberg biographer John Cooney does not mention that M.L. attended the meeting, but states that Capone went to Annenberg with a proposition that he flatly rejected. However, within a few years, Annenberg's vision of a national wire service was accomplished and stretched across the United States and into Canada, Cuba, and Mexico.

One of the people who helped Annenberg with the wire service distribution in Chicago was the infamous Alfred "Jake" Lingle, the crime reporter of the *Chicago Tribune*. Lingle was known as a "fixer" who "sold influence with police and politicians to gamblers and bootleggers." Working for "The Trust," as the General News Bureau was referred to by the Chicago underworld, Lingle helped convince two independent wire services that they would be better off by joining the Annenberg organization. On June 9, 1930, Lingle was murdered in an underpass while on his way to Washington Park racetrack. Clutched in his hand was a copy of the *Racing Form*. There were many theories behind the murder. One was that Lingle had not been able to secure an interest in the General News Bureau for the Capone mob.

By 1932, Annenberg had squeezed out all of the significant competition. He then turned his attention to squeezing out his partners. The first to go were Bannon and Murray who had been running the *Daily Race Form* since Annenberg had purchased it. Annenberg began a successful campaign against the two by cutting the newsstand price of the *Telegraph*, a racing information publication he had purchased on his own in 1929, from 25 cents to 10 cents. He went into direct competition with himself. His network of distributors made sure that the *Racing Form* made it to the stands late, or not at all. When Bannon and Murray realized what was happening they sold out to Annenberg for \$2.25 million.

Annenberg then created the Universal Publishing Company, which printed "wall sheets" and "hard cards." The wall sheets listed races, horses, jockeys, morning odds, and other information that bettors used in deciding how to place their money. The wall sheets were posted on walls of horse parlors for both customers and clerks. Hard cards were a smaller version of the same information and could be carried in the bettor's pocket. Annenberg



now undercut his competition, the General News Bureau (of which he owned 48%), and quickly became the leading supplier. To further his gains, he had the wall sheet and hard card information printed using the identical codes used by his wire service. This guaranteed that customers buying his printed material also used his wire service and only the bookies who purchased both services were given the key to the codes.

His last move was to force his partners in the General News Bureau out of business completely. Annenberg accomplished this by establishing the Nationwide News Service in Chicago on August 27, 1934. When General News Bureau suppliers around the country heard a rumor about the new wire service they called James Ragen to report it. Ragen's response was that he was now employed by Nationwide News and if they were smart they would take the new service. This deceit enraged John J. "Jack" Lynch, who owned 40%, who took Annenberg to court and lost. Lynch's next move was to contact the Capone organization through Illinois State Senator Dan Serritella. The Capone syndicate lined up its support behind Lynch. The newspapers were reporting a gang war was imminent. Frank Nitti approached James Ragen in an attempt to get him to change sides. "If you come along with us, we will kill him (Annenberg) in 24 hours," Ragen was told.

Annenberg was a marked man. He hired bodyguards to protect him around the clock and quickly decided it was best for him to get out of Chicago. He headed for Miami where he would at least enjoy the protection of old friend Meyer Lansky.

While in Miami, Annenberg purchased the *Miami Tribune* and soon battled both the *Miami News* and the *Miami Herald* for circulation supremacy. Lansky, who had helped Annenberg bring his wire service to southern Florida, was getting a piece of the action in return for keeping Annenberg from getting shot. In 1936, Annenberg reached an agreement with Lynch and the Capone Syndicate. He paid one million dollars a year for protection and was free to pursue other interests without being stalked by paid gunmen.

With the race wire service problem cleared up, Annenberg purchased a newspaper that he felt had the "prestige and class" his other ventures had lacked – the *Philadelphia Inquirer*. Annenberg achieved great success in increasing the overall circulation of the *Inquirer* and saw it become a successful tool and model for Republican Party politics. The contacts his son Walter made with the Republicans would one day result in his being named Ambassador to Great Britain by President Richard Nixon.

M.L.'s happiness would be short lived as he and his son were charged with income tax evasion in August 1939. Annenberg made an agreement with the government to drop the charges against Walter in return for a guilty plea. While he was working at the details, Annenberg ended his association with Nationwide News Service on Nov. 15, 1939, by simply walking away from it in an effort to improve his image to the court.

In June 1940, Annenberg agreed to pay \$9.5 million in taxes, penalties and interest, and he was sentenced to three years in the Lewisburg Federal prison. When he was released

on June 11, 1942, Annenberg was a sick man. At the Mayo Clinic in Rochester, Minn., doctors diagnosed a brain tumor. He died a little over a month later, on July 20, 1942.

After Annenberg walked away from Nationwide News Service, it went out of business. Five days later the Continental Press came into being under new leadership.

U. S. Sen. Estes Kefauver once called the Continental Press the nation's Public Enemy Number One. "In my opinion, the wire service keeps alive the illegal gambling empire which in turn bankrolls a variety of other criminal activities in America."

When Moses Annenberg, under pressure from Capone, disbanded Nationwide News Service in 1939, Arthur B. "Mickey" McBride established the Continental Press. Born in Chicago in 1888, McBride had a long career in the newspaper business. Recalling an incident as a child, he said he once purchased 50 newspapers for 50 cents, "I sold the batch of papers for \$1, and I've been making business deals ever since." McBride learned the newspaper circulation business by working for William Randolph Hearst. In 1911, McBride became Hearst's circulation manager for the *Chicago American* which took on the *Chicago Tribune* in a bitter circulation war.

In 1913, McBride was hired by Cleveland Daniel R. Hanna to manage the circulation department of the *Cleveland News*, an afternoon daily. This was one of two newspapers owned by Hanna, the son of famed politician Marcus A. Hanna. The other newspaper, the *Cleveland Leader* was a morning edition. Hanna hired McBride's friend James M. Ragen, Sr. as circulation manager there.

McBride stayed with the newspaper until 1930. He then got involved in the taxi cab business and eventually became the owner of the Yellow Cab Company in Cleveland. In addition, McBride had extensive real estate operations in Cleveland and in Coral Gables, Fla., where he was in business with Alfred Polizzi, the former boss of the Mayfield Road Mob. McBride became the first owner of the Cleveland Browns football franchise, which began playing in 1946 in the All-American Football Conference. He owned the team for several seasons before selling the franchise in 1953. In Miami, where McBride owned radio station WMIE, the commentators would regularly blast the area's gambling opponents.

McBride insisted that he began the Continental Press "on a modest bankroll of \$20,000 purely out of sentiment and goodwill to provide a job for my brother-in-law, (Tom) Kelly," who had lost his job when Nationwide folded. "I didn't buy anything from Nationwide, not so much as a toothpick," McBride told the Kefauver committee in 1951. "I started a new business."

McBride, who claimed he never wanted to run Continental, asked Ragen to take the reins. Ragen declined the offer at the time because he was "having problems with his federal income taxes." Instead McBride worked out a deal for James Ragen, Jr. to help Tom Kelly operate the service.

The new Continental Press's set up was designed to avoid the problems that Nationwide experienced by establishing "distributorships" for its information instead of selling directly to bookies. These distributorships, a total of 24, were in the publishing business and produced racing guides and scratch sheet information. However, many of these operations were of dubious legality. These distributors in turn sold their information to the local bookies. The Continental Press claimed it was none of its business what the distributors did with the information they purchased. Several dummy operations were disguised as distributorships with the money going right back to Continental. One of these was the Illinois Sports News, located in Chicago and run by Tom Kelly's brother.

McBride testified that in 1942 he sold the Continental Press to James Ragen, Jr. One year later James Ragen, Sr. took over and asked McBride to buy back into the operation for \$50,000. McBride compromised making the investment in behalf of his son Edward "Eddie" McBride, who was still attending college. The desire to have McBride involved was because Ragen felt Mickey's relationship with underworld figures in Cleveland would help ease the pressure he was under from the Capone mob in Chicago.

James M. Ragen had been a close associate of Annenberg dating back to his childhood growing up in Chicago's "Patch." When Moses first got involved in Chicago's newspaper circulation battles, he hired James and his brother Frank, who headed the infamous Ragen's Colts, a quasi social / political organization which turned into a gang-for-hire operation. After the brutal circulation wars in Chicago, Ragen headed for Cleveland. While circulation manager for the *Leader*, he was involved in a vicious battle with the city's other morning newspaper the *Plain Dealer*. This battle came to a head when a man was killed during a skirmish in November 1914. The war came to an end in 1917 when the *Plain Dealer* purchased the *Leader*.

Ragen got back together with Annenberg and in the late 1920s was Moses' top man in the General News Bureau, sometimes being listed as president of the bureau. When the Capone mob began to muscle Annenberg in the mid 1930s, it was Ragen who the gang contacted to try to persuade him to turn against his boss. Now with Ragen in an ownership position, the Chicago mob was again attempting to gain control.

The initial approach was made by Jake Guzik, Anthony Accardo and Murray Humphreys. The mob wanted to cut itself in on the operation, build up the business and by doing this they felt they could employ several hundred hoods in the business. Ragen would continue to be a partner and his share of the profits would increase due to the enhanced income created by the Chicago mob's involvement.

Ragen, however, saw things in a different light and figured that once the mob moved in and gained experience, he would become expendable. He sought to ease concerns for his own personal safety by meeting with Chicago FBI agents. He also prepared affidavits in which he named Frank Nitti and others involved in the plot to murder Annenberg. He felt these moves would serve as an insurance policy against the mob's efforts.

In late 1945, the Capone mob struck by establishing the Trans-American Publishing and News Service to compete with the Continental Press. As the new wire service established offices around the country its employees engaged in a terrorist campaign against the offices of the Continental Press in an effort to force them out of business. In Las Vegas and on the West Coast, Benjamin "Bugsy" Siegel acted as the representative of the Capone mob, forcing the new service on bookmakers through strong-arm tactics.

By the spring of 1946 Trans-America was making serious headway. On April 18, Harry "Red" Richmond, a Chicago bookie, was gunned down in front of his home in Chicago. He had recently stopped using the mob's wire service and switched back to Continental. Eleven days later, as Ragen drove from his home, he was followed by another car containing two men. After a 15-mile chase, that reached speeds of 60 miles-per-hour, Ragen pulled to a stop in front of the Morgan Park police station and ran inside.

Ragen explained to the police who was out to get him and why. Chicago police provided him with 24-hour protection, but after a few weeks Ragen dismissed them and hired his own bodyguards. On Monday, June 24, 1946 Ragen was driving on State Street and stopped at the intersection at Pershing Avenue behind a gray sedan. The 65-year-old Ragen was in his car alone, followed by two bodyguards in a separate automobile. Soon a shabby old truck pulled alongside to the right of Ragen's auto. The small delivery truck was partially loaded with orange crates and miscellaneous boxes, and its skeleton sides and top were covered with a tarpaulin. As Ragen waited for the light to change, the tarpaulin on the left side of the truck was pulled up and two blasts were fired. One tore through Ragen's upper right arm and shoulder. The two bodyguards jumped from their automobile to return fire. One of the guards tried to fire his shotgun, but it jammed, the other emptied his revolver at the truck as it sped away. The truck, which was later found abandoned, had been fitted with quarter inch steel plates to make it bulletproof from the rear. The gray sedan took off down Pershing although it was not known if it was involved in the shooting plot.

Ragen was rushed to Michael Reese Hospital where he was placed in an oxygen tent in serious condition suffering from shock and loss of blood. He was given 10 blood transfusions. Doctors discussed amputating the mangled arm. The shotgun pellets had shattered Ragen's collarbone, broke his right shoulder, and his right upper arm.

In trying to locate the would-be assassins, Chicago police sought Accardo, Guzik, Humphreys, and Hymie Levin. The *Chicago Tribune* reported that Accardo "is generally considered to be the new leader of the old Capone gang, and takes orders from higher ups in the old Unione Sicillione."

Ragen remained alive, but in critical condition. On Aug. 8, he had emergency surgery on his kidneys. On Aug. 14, he died at 4:55 a.m. with family members present. It was later reported that Ragen's autopsy showed traces of mercury in his blood indicating that someone had entered his room and poisoned him.

The fighting between Trans-America and Continental continued for months until May 1947, when McBride purchased back the wire service from the Ragen interests. The Continental Press was now under the sole ownership of 23 year old Eddie McBride. On June 13, 1947, Trans-America announced it was going out of business. During the Kefauver hearings held in Cleveland during January 1951, the committee wasn't satisfied that young Eddie, now a law student at the University of Miami in Florida, was the true owner. McBride explained the deal this way: "I talked it over with Eddie...and I said, 'Eddie, what do you think about it?' And he said, 'Well, I will be getting out of school. I will have to have someplace to go...I will take a shot at it if you think that would be all right.'"

Chief Counsel Rudolph Halley questioned McBride about his son's safety in purchasing the wire service for him in the wake of the Ragen murder. "Weren't you afraid that your boy would be bumped off?" Halley inquired.

McBride responded, "Well, Mr. Halley, that business has been in existence for over 60 years and one man got killed, you say, in it. I know a hundred lawyers that got killed in the last 40 years."

When Eddie McBride was questioned before the committee in Miami, Halley challenged him about the ownership. "You are a complete figurehead and dummy, is that right?"

"I guess you would put it that way if you wanted to," Eddie McBride replied.

Later Tom Kelly testified that his nephew, Eddie, received an income before taxes of over \$692,000 for 1949.

On Feb. 28, 1951, the Kefauver Crime Committee announced from Washington D. C. that the "Continental Press, national horse track news service, is controlled by the 'Capone mob in Chicago' instead of Arthur B. McBride or his son, Edward." The committee announced that when it makes its final recommendations for legislation that it will ask for a ban on interstate gambling information, and that interstate transmission of betting be prohibited to help drive the race wire out of service.

The committee got what it asked for as Congress passed legislation after the hearings drew to a close. After a 60-year run, the race wire service in general, and the Continental Press in particular, went out of existence.